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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 1172

February 26, 2009
Authored by Garofalo; Anderson, P.; Dettmer; Murdock; Nornes and others
The bill was read for the first time and referred to the Committee on Finance

A bill for an act

relating to education; providing for early childhood and family, prekindergarten through grade 12, and adult education, including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and PELRA; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2008, sections 120A.41; 120B.023, subdivision 2; 120B.024; 120B.30, subdivisions 1, 1a, 2; 120B.362; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.40, subdivision 8; 122A.413, subdivisions 1, 2; 122A.414, subdivisions 1a, 2, 2b, 3, by adding a subdivision; 122A.415, subdivisions 1, 3; 122A.416; 123B.75, subdivision 5; 124D.10, subdivision 13; 124D.11, subdivision 1; 124D.86, subdivision 3; 125A.11, subdivision 1; 125A.76, subdivision 2; 125A.79, subdivisions 1, 8; 125B.26; 126C.10, subdivisions 1, 2a, 34, by adding a subdivision; 127A.441; 127A.45, subdivisions 2, 3, 13, by adding a subdivision; 179A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 127A; 179A; repealing Minnesota Statutes 2008, sections 122A.24; 122A.414, subdivisions 1a, 4; 122A.72, subdivisions 3, 4; 123B.05; 124D.091, subdivision 3; 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 179A.17, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2008, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; ~~DAYS~~ HOURS OF INSTRUCTION.

A school board's annual school calendar must include at least ~~the number of days of student instruction the board formally adopted as its school calendar at the beginning of the 1996-1997 school year~~ 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 though 6, and 1,020 hours of instruction for a student in grades 7 though 12, not including summer school.

Sec. 2. Minnesota Statutes 2008, section 122A.413, subdivision 1, is amended to read:

Subdivision 1. **Qualifying plan.** A district or intermediate school district ~~may~~ must develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district~~,~~ or intermediate school district, ~~school site,~~ teacher, and individual student performance.

Sec. 3. Minnesota Statutes 2008, section 122A.413, subdivision 2, is amended to read:

Subd. 2. **Plan components.** The educational improvement plan must be approved by the school board and have at least these elements:

(1) assessment and evaluation tools to measure student performance and progress;

(2) performance goals and benchmarks for improvement;

(3) measures of student attendance and completion rates;

(4) a rigorous professional development system, consistent with section 122A.60, that is aligned with educational improvement, designed to achieve teaching quality improvement, instructional leadership, and consistent with clearly defined research-based standards;

(5) measures of student, family, and community involvement and satisfaction;

(6) a data system about students and their academic progress that provides parents and the public with understandable information;

(7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and

(8) substantial participation by the exclusive representative of the teachers in developing the plan.

Sec. 4. Minnesota Statutes 2008, section 122A.414, subdivision 1a, is amended to read:

Subd. 1a. **Transitional planning year.** (a) To be eligible to participate in an alternative teacher professional pay system, a school district~~,~~ or intermediate school district, ~~or site,~~ at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance, a restructured school day to develop integrated ongoing site-based professional development activities, teacher

release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; and

(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;

(2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and

(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.

Sec. 5. Minnesota Statutes 2008, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) ~~To participate in this program, a~~ All school ~~district~~ districts, intermediate school ~~district~~ districts, ~~school site, or~~ and charter ~~school~~ schools must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b) by the start of the 2010-2011 school year. A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, ~~school site,~~ or charter school will provide teachers with career advancement options or ladders that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule by establishing an alternative salary schedule that utilizes methods other than seniority and fully or partially embeds

performance pay outlined in items (i) through (iii), prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, improve beginning teacher salaries, and base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student achievement; and

(iii) an objective teacher evaluation program that includes:

(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and

(B) objective teacher evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning;

(4) provide integrated ongoing ~~site-based~~ job-embedded professional development activities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, ~~school site,~~ or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

Sec. 6. Minnesota Statutes 2008, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to ~~interested~~ all school districts, intermediate school districts, ~~school sites,~~ and charter schools a standard form for applying to participate in the alternative teacher professional pay system. ~~An interested~~ All school ~~district~~ districts, intermediate school ~~district~~ districts, ~~school site, or~~ and charter ~~school~~ schools must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district~~;~~ or intermediate school district~~, or school site,~~ or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. ~~The department must convene a review committee that at least includes teachers and administrators within 30 days of receiving a completed application to recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a~~

~~first-come, first-served basis.~~ The commissioner may establish submission deadlines for school districts and charter schools submitting applications to the department under this section. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

Sec. 7. Minnesota Statutes 2008, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, ~~school sites,~~ and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or board of directors shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, ~~school site,~~ or charter school to the commissioner.

(b) If the commissioner determines that a school district, intermediate school district, ~~school site,~~ or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

Sec. 8. Minnesota Statutes 2008, section 122A.414, is amended by adding a subdivision to read:

Subd. 5. **Quality Compensation Advisory Council.** (a) A Quality Compensation Advisory Council is established. The term for each council member shall be three years. The advisory council must include at least 12 members. The members must include representatives from the Department of Education, Education Minnesota, the Minnesota Association of Metropolitan School Districts, the Minnesota Association of School Administrators, the Minnesota Rural Education Association, the Minnesota School

Boards Association, the Minnesota Business Partnership, and the Minnesota Chamber of Commerce. The commissioner shall appoint additional members to the council. The advisory council must:

(1) meet at least quarterly to review and monitor implementation of this section;

(2) monitor and evaluate the results and effectiveness of the program; and

(3) report annually by February 1 to the commissioner and the education policy and finance committees of the legislature on the administration, processes, implementation, and effectiveness of this section.

Sec. 9. Minnesota Statutes 2008, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, ~~school site,~~ or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district ~~or site~~ in which the school board and the exclusive representative of the teachers agree to place teachers in the district ~~or at the site~~ on the alternative teacher professional pay system equals ~~$260~~ $300 times the number of pupils enrolled at the district ~~or site~~ on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, ~~school sites,~~ and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2011 and later.

Sec. 10. Minnesota Statutes 2008, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, ~~school sites,~~ or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, ~~school site,~~ or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, ~~school site,~~ or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, ~~in the order in which they are received,~~ select applicants that qualify for this program, notify school districts, intermediate school districts, ~~school sites,~~ and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

~~(c) For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed $522,000 for fiscal year 2006 and $3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of $3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for the second previous year. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement~~

~~for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.~~

EFFECTIVE DATE. This section is effective for fiscal year 2011 and later.

Sec. 11. Minnesota Statutes 2008, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district.

(b) ~~For fiscal year 2004 and later years, in June of each year~~ In June of 2009, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6.

(c) For fiscal year 2010 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17, in the prior calendar year or 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to clause (ii).

Sec. 12. Minnesota Statutes 2008, section 124D.10, subdivision 13, is amended to read:

Subd. 13. **Length of school year.** A charter school must provide instruction each year for at least the number of ~~days~~ hours required by section 120A.41. It may provide instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

Sec. 13. Minnesota Statutes 2008, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted marginal cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue, extended time revenue, alternative teacher compensation revenue, transition revenue, pay for progress revenue, and transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic alternative teacher compensation aid according to section 126C.10, subdivision 34, pay for progress revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time marginal cost pupil unit equals $4,378.

(b) Notwithstanding paragraph (a), for charter schools in the first year of operation, general education revenue shall be computed using the number of adjusted pupil units in the current fiscal year.

Sec. 14. Minnesota Statutes 2008, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building

lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's

average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding elementary sparsity revenue and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs (d) and (e), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue and pay for progress revenue, plus the referendum equalization aid according to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c).

Sec. 15. Minnesota Statutes 2008, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **Special education initial aid.** The special education initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each one to one instructional and behavior management aide assigned to a child attending the academy, if the aides are required by the child's individual education plan;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue, pay for progress revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of $47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

Sec. 16. Minnesota Statutes 2008, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, equipment, and transportation services under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue and pay for progress revenue, plus the total qualifying referendum revenue specified in paragraph (e) minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.02 for fiscal year 2012 and later.

(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

Sec. 17. Minnesota Statutes 2008, section 125A.79, subdivision 8, is amended to read:

Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155, the resident school district shall submit the

balance of the tuition bills, minus the general education revenue, excluding basic skills revenue ~~and~~, alternative teacher compensation revenue and pay for progress revenue, and referendum equalization aid attributable to the pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit minus the special education contracted services initial revenue attributable to the pupil.

Sec. 18. Minnesota Statutes 2008, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~ The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, pay for progress revenue, and transition revenue.

Sec. 19. Minnesota Statutes 2008, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** (a) ~~A school district's~~ The extended time revenue ~~is equal to~~ for a school district with extended time average daily membership in the current fiscal year equals the product of $4,601 and the sum of the adjusted marginal cost pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, and other programming authorized under the learning year program.

Sec. 20. Minnesota Statutes 2008, section 126C.10, subdivision 34, is amended to read:

Subd. 34. **Basic alternative teacher compensation aid.** ~~(a)~~ For fiscal years 2007 and later, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals ~~$260~~ $300 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school

districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

~~(b) Notwithstanding paragraphs (a) and (b) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $75,636,000 for fiscal year 2007 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under section 122A.415 so as not to exceed these limits.~~

EFFECTIVE DATE. This section is effective for fiscal year 2011 and later.

Sec. 21. Minnesota Statutes 2008, section 126C.10, is amended by adding a subdivision to read:

Subd. 37. **Pay for progress revenue.** For fiscal year 2010 and later, school districts and charter schools participating in the student growth model established by the commissioner of education are eligible to receive additional general education revenue equal to the sum of one percent of the formula allowance times the percent of students with growth measurement scores who achieved medium growth plus two percent of the formula allowance times the percent of students with growth measurement scores who achieved high growth. Growth measurement scores are calculated based on the assessments defined in section 120B.362.

Sec. 22. **[127A.431] REDUCTION OF AID FOR NOT PROVIDING REQUIRED HOURS OF INSTRUCTION.**

The commissioner shall reduce the state aid paid to a school district or charter school that does not provide instruction for at least the number of hours required under section 120A.41. If instruction is not provided for the required number of hours, state aid shall be reduced by the ratio that the difference between the required number of hours and the number of hours instruction is provided bears to the required number of hours, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district or charter school for that year. However, a district or charter school not providing the required number of hours may appeal to the commissioner for a waiver of the state aid reduction if (1) the circumstances causing loss of instructional time below the required minimum number of hours are beyond the control of the board, and (2) a good faith attempt is made to make up time lost due to these circumstances.

Sec. 23. Minnesota Statutes 2008, section 127A.441, is amended to read:

127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.

Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b) or (c), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b) or (c). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b), shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 24. Minnesota Statutes 2008, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) ~~The term~~ "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) ~~The term~~ "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) ~~The term~~ "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any

preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals ~~90~~ 80.

Sec. 25. Minnesota Statutes 2008, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **Payment dates and percentages.** (a) For fiscal year 2004 and later, the commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0
Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0
Payment 22	May 30:	95.0
Payment 23	June 20:	100.0

(b) ~~In addition to the amounts paid under paragraph (a), for fiscal year 2004, the commissioner shall pay to a district on the dates indicated an amount computed as follows:~~

~~Payment 3 August 15: the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392~~

~~Payment 4 August 30: one-third of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits~~

~~Payment 6~~ ~~September 30: one-third of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits~~

~~Payment 8~~ ~~October 30: one-third of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits~~

~~(c)~~ In addition to the amounts paid under paragraph (a), ~~for fiscal year 2005 and later,~~ the commissioner shall pay to a district on the dates indicated an amount computed as follows:

Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392
Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits

Sec. 26. Minnesota Statutes 2008, section 127A.45, is amended by adding a subdivision to read:

Subd. 7b. **Advance final payment.** (a) Notwithstanding subdivisions 3 and 7, a school district or charter school exceeding its expenditure limitations under section 123B.83 as of June 30 of the prior fiscal year may receive a portion of its final payment for the current fiscal year on June 20, if requested by the district or charter school. The amount paid under this subdivision must not exceed the lesser of:

(1) the difference between 90 percent and the current year payment percentage in subdivision 2, paragraph (d), in the current fiscal year times the sum of the district or charter school's general education aid plus the aid adjustment in section 127A.50 for the current fiscal year; or

(2) the amount by which the district's or charter school's net negative unreserved general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the district or charter school's expenditures for that fiscal year.

(b) The state total advance final payment under this subdivision for any year must not exceed $7,500,000. If the amount request exceeds $7,500,000, the advance final payment for each eligible district must be reduced proportionately.

Sec. 27. Minnesota Statutes 2008, section 127A.45, subdivision 13, is amended to read:

Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a, and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124D, 125A, 125B, 126C, 134, and section 273.1392,

shall be paid at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. ~~For the purposes of this subdivision, a district's estimated entitlement for special education excess cost aid under section 125A.79 for fiscal year 2005 equals 70 percent of the district's entitlement for the second prior fiscal year.~~ For the purposes of this subdivision, a district's estimated entitlement for special education excess cost aid under section 125A.79 for fiscal year 2006 and later equals 74.0 percent of the district's entitlement for the current fiscal year. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

Sec. 28. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

$ 4,560,949,000 2010
$ 5,735,602,000 2011

The 2010 appropriation includes $556,059,000 for 2009 and $4,004,890,000 for 2010.

The 2011 appropriation includes $1,121,845,000 for 2010 and $4,613,757,000 for 2011.

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

$ 48,000 2010
$ 52,000 2011

Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section 127A.49:

$ 1,052,000 2010
$ 1,039,000 2011

The 2010 appropriation includes $140,000 for 2009 and $912,000 for 2010.

The 2011 appropriation includes $228,000 for 2010 and $811,000 for 2011.

Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota Statutes, section 123A.485:

$ 270,000 2010
$ 677,000 2011

The 2010 appropriation includes $0 for 2009 and $270,000 for 2010.

The 2011 appropriation includes $67,000 for 2010 and $610,000 for 2011.

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.87 and 123B.40 to 123B.43:

$ 15,390,000 2010
$ 17,575,000 2011

The 2010 appropriation includes $1,667,000 for 2009 and $13,723,000 for 2010.

The 2011 appropriation includes $3,430,000 for 2010 and $14,145,000 for 2011.

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

$ 19,109,000 2010
$ 21,424,000 2011

The 2010 appropriation includes $2,117,000 for 2009 and $16,992,000 for 2010.

The 2011 appropriation includes $4,248,000 for 2010 and $17,176,000 for 2011.

Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

$ 65,000 2010
$ 65,000 2011

Subd. 9. **Independent School District No. 239, Rushford-Peterson.** For school district flood enrollment impact aid as a result of the floods of August 2007:

$ 158,000 2010

The base appropriation for later fiscal years is zero.

The district must provide to the commissioner of education documentation of the additional pupil transportation costs and the number of pupils in average daily membership lost as a result of the flood.

Subd. 10. **Lancaster.** For a grant to Independent School District No. 356, Lancaster, to replace the loss of sparsity revenue:

$ 100,000 2010
$ 100,000 2011

The base appropriation for later fiscal years is zero.

Subd. 11. **Compensatory revenue pilot project.** For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50:

$	2,175,000	.....	2010
$	2,175,000	.....	2011

Of this amount, $1,500,000 in each year is for a grant to Independent School District No. 11, Anoka-Hennepin; $210,000 in each year is for a grant to Independent School District No. 279, Osseo; $160,000 in each year is for a grant to Independent School District No. 281, Robbinsdale; $75,000 in each year is for a grant to Independent School District No. 286, Brooklyn Center; $165,000 in each year is for a grant to Independent School District No. 535, Rochester; and $65,000 in each year is for a grant to Independent School District No. 833, South Washington.

If a grant to a specific school district is not awarded, the commissioner may increase the aid amounts to any of the remaining participating school districts.

This appropriation is part of the base budget for subsequent fiscal years.

Sec. 29. **REPEALER.**

Minnesota Statutes 2008, sections 122A.414, subdivisions 1a and 4; and 123B.05, are repealed.

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2008, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require

that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 ~~and 11~~ beginning in the 2010-2011 school year are aligned with the 2007 state academic standards in mathematics. The statewide high school mathematics test shall remain aligned to 2003 state academic standards in mathematics through the 2012-2013 school year. Any statewide ~~11th grade~~ high school mathematics test administered to students under clause (2) ~~beginning in the 2013-2014 school year must include algebra II test items that are~~ used for state-level student, school, or district accountability must be aligned with corresponding 2007 state academic standards in mathematics beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require

that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

Sec. 2. Minnesota Statutes 2008, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students ~~beginning 9th grade in the 2004-2005 school year and later~~ must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;

(3) three credits of science, including at least one credit in biology;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; ~~and~~

(6) a minimum of seven elective course credits; and

(7) a minimum of one online course or online learning experience as defined by the commissioner of education that meets college and career-ready standards.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5).

EFFECTIVE DATE. This section is effective for students entering ninth grade in the 2009-2010 school year and later.

Sec. 3. **[120B.17] MINNESOTA VIRTUAL EDUCATION PROGRAM.**

Subdivision 1. **Program.** A state of Minnesota virtual education program is established for teachers and students to improve and enhance teacher instruction and student learning through integration of technology and online learning. The commissioner of education shall establish the program and develop a selection of online courses for students. The online student courses shall be established for grades 6 through 12.

Subd. 2. **Scope and requirements.** (a) The student courses shall be developed by department staff, content experts, licensed Minnesota teachers, licensed administrators, and business representatives. The courses must be aligned to the Minnesota academic standards established in Minnesota Rules, chapter 3501. The commissioner of education, in working with qualified individuals, must establish at least ten student courses that will be available to students and teachers no later than the 2010-2011 school year. The commissioner must give priority in the development of courses to science, technology, engineering, mathematics, and advanced courses. The courses available to students must be monitored and delivered by licensed Minnesota teachers under section 122A.16.

(b) School districts and charter schools participating in the program must:

(1) submit a letter of intent to the commissioner of education;

(2) allow students to participate in the program;

(3) train teachers to monitor and deliver courses;

(4) allow students to receive graduation credit, if appropriate, for successful completion of the courses;

(5) issue grades to students enrolled in the online courses; and

(6) report progress to the department on student participation and completion rates.

Subd. 3. **Report.** The commissioner of education must submit a report to the chairs of the house of representatives and senate education committees by October 1, 2011, assessing the progress and development of the program.

Sec. 4. Minnesota Statutes 2008, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with

subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021 and administered annually to all students in grades 3 through 8 and at the high school level in mathematics and reading. A state-developed test in a subject other than writing, developed after the 2002-2003 school year, must include both ~~machine-scoreable~~ multiple-choice and constructed response questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year.

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 before the 2005-2006 school year, only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 in 1997 and thereafter, as based on the first uniform test administration of February 1998.

~~(b)~~ (d) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individual education plan; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan.

~~(c)~~ (e) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

~~(d)~~ (f) State tests must be constructed and aligned with state academic standards. The testing process and the order of administration shall be determined by the commissioner. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

~~(e)~~ (g) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations~~,~~ or alternate assessments~~, or exemptions~~ consistent with applicable federal law~~, only with parent or guardian approval, for those very few students for whom the student's individual education~~

~~plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2~~;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Sec. 5. Minnesota Statutes 2008, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through ~~9~~ 8 span, and ~~a life sciences assessment in the grades 10 through 12 span~~ any assessments at the high school level that must include a physical science, life science and chemistry, or physics assessment for the 2007-2008 school year and later.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include, by no later than the 2008-2009 school year, a value-added component that is in addition to a measure for student achievement growth over time; and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress in achieving the academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript except as required in paragraph (f).

(f) A school, district, or charter school must place a student's assessment score for the final high school census administration of the mathematics and reading Minnesota Comprehensive Assessments and the writing Graduation-Required Assessment for Diploma on the student's high school transcript.

(g) Schools selected for stand-alone state field testing or other state or national sampling by the department must participate as requested. Superintendents or charter school directors may appeal in writing to the commissioner of education or the commissioner's designee for exemption from a selected field test or national sampling if undue hardship is demonstrated. The commissioner's decision regarding the appeal is final.

Sec. 6. Minnesota Statutes 2008, section 120B.30, subdivision 2, is amended to read:

Subd. 2. **Department of Education assistance.** The Department of Education shall contract for professional and technical services according to competitive ~~bidding~~ solicitation procedures under chapter 16C for purposes of this section.

Sec. 7. Minnesota Statutes 2008, section 120B.362, is amended to read:

120B.362 VALUE-ADDED ASSESSMENT PROGRAM.

(a) The commissioner of education must implement a value-added assessment program to assist school districts, public schools, and charter schools in assessing and

reporting individual students' growth in academic achievement under section 120B.30, subdivision 1a.

(b) For the purposes of this section, "value-added" means a model that requires longitudinal, student-level data and vertically scaled assessments to determine what portion of a student's growth can be explained by inputs related to the education environment, school, teacher, and student, among other inputs.

(c) The program must use assessments of individual students' academic achievement to make longitudinal comparisons of each student's academic growth over time. ~~School districts, public schools, and charter schools may apply to the commissioner to participate in the initial trial program using a form and in the manner the commissioner prescribes. The commissioner must select program participants from urban, suburban, and rural areas throughout the state.~~

~~(b)~~ (d) The commissioner may issue a request for proposals to contract with an organization that ~~provides~~ enhances a value-added assessment model that reliably estimates school and school district effects on students' academic achievement over time. The model the commissioner selects must accommodate diverse data and must use each student's test data across grades. Data on individual teachers generated under the model are personnel data under section 13.43.

~~(c)~~ (e) The contract under paragraph ~~(b)~~ (d) must be consistent with the definition of "best value" under section 16C.02, subdivision 4.

Sec. 8. Minnesota Statutes 2008, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **~~Peer~~ Review for continuing contract teachers.** (a) A school board and an exclusive representative of the teachers in the district shall develop an annual review process and evaluation for all continuing contract teachers through joint agreement. The annual review process and evaluation must be aligned to best instructional practices in teaching and learning. A school board and exclusive representatives of the teachers must use section 122A.413, subdivision 2, as the review for continuing contract teachers if the plan has been approved by the commissioner of education.

(b) A school board and an exclusive representative of the teachers in the district shall develop a peer review process for continuing contract teachers through joint agreement. Peer review for continuing contract teachers may be used to meet the requirement of paragraph (a).

Sec. 9. **[122A.426] STATE OF MINNESOTA MIDCAREER ALTERNATIVE ROUTE TO TEACHING (SMART PROGRAM).**

Subdivision 1. **Scope and requirements.** (a) As an alternative to postsecondary teacher preparation programs, a teacher training program is established for qualified professionals to acquire entrance licenses. Program providers, approved by the Board of Teaching under subdivision 3, may offer the program in the instructional fields of science, mathematics, world languages, English as a second language, and special education.

(b) To participate in the teacher training program, the teacher applicant must:

(1) have, at a minimum, a bachelor's degree from an accredited four-year postsecondary institution;

(2) have an undergraduate major or postbaccalaureate degree in the subject to be taught or in an equivalent or related subject area in which the applicant is seeking licensure;

(3) pass a skills examination in reading, writing, and mathematics required under section 122A.18;

(4) pass a content knowledge assessment for each subject area to be taught;

(5) have a cumulative grade point average of 2.75 or higher on a 4.0 scale for a bachelor's degree;

(6) show employment related to the subject to be taught; and

(7) show a district offer for employment as a teacher contingent on participating in an approved program described in subdivision 2.

Subd. 2. **Program.** A teacher training program under this section is one year in duration and must include:

(1) a nine-credit summer or preinduction preparation program that includes classroom management techniques and on-site classroom observation that are completed before the candidate is employed in the classroom;

(2) 200 clock hours of instruction in standards of effective practice and essential skills that include curriculum, instructional strategies, and classroom management presented after school or on Saturdays throughout the year leading to a teaching license and up to 15 credits toward a master's degree in education;

(3) on-the-job mentoring, supervision, and evaluation arranged by the employing district that includes mentoring provided by both an experienced teacher licensed in the subject taught by the applicant and a supervisor affiliated with the postsecondary institution that provides training to the teacher applicant, and evaluations by an evaluation team composed of the mentor, the supervisor, the principal, and a training program member that include at least three classroom observations where the third evaluation contains the team's recommendation for licensure and where a written report of each evaluation is prepared; and

(4) a one-week intensive workshop that includes analysis and reflection of the first year of teaching after completing the school year, which may be counted as part of the 200 clock hours required in clause (2).

Subd. 3. **Program approval.** An interested Minnesota public or private postsecondary institution must submit program proposals to the Board of Teaching for approval.

Notwithstanding any law to the contrary, the Board of Teaching must develop criteria for approving teacher training programs under this section after considering the recommendations of an advisory group appointed by the Board of Teaching composed of, at a minimum, the commissioner of education or designee, and representatives of school superintendents, principals, teachers, and postsecondary institutions, including those offering degrees in teaching preparation.

Subd. 4. **Eligibility license.** Notwithstanding any law to the contrary, the Board of Teaching must issue to an applicant who successfully meets the criteria under subdivision 1, paragraph (b), a one-year eligibility license to teach at the employing district under subdivision 1, paragraph (b), clause (7). During the one-year eligibility period, the employing district must assign a mentor under subdivision 2, clause (3). The applicant teacher and teacher mentor must meet at least weekly throughout the school year on classroom and instructional issues.

The hiring district may deduct from the participant's salary the cost of providing the mentor for the participant during the training year.

Subd. 5. **Standard entrance license.** Notwithstanding any law to the contrary, the Board of Teaching must issue a standard entrance license to a training program licensee who successfully completes the program under subdivision 2, successfully teaches in a classroom for one complete school year, successfully passes an assessment of general pedagogical knowledge, and receives a positive recommendation from the applicant's evaluation team.

Subd. 6. **Qualified teacher.** A person with a valid eligibility license under subdivision 5 is a qualified teacher under section 122A.16.

Sec. 10. Minnesota Statutes 2008, section 124D.86, subdivision 3, is amended to read:

Subd. 3. **Integration revenue.** (a) Integration revenue for a school district equals the lesser of: the district's integration revenue per pupil unit for fiscal year 2009 times the adjusted pupil units for the school year or the following amounts:

(1) for Independent School District No. 709, Duluth, $206 times the adjusted pupil units for the school year;

(2) for Independent School District No. 625, St. Paul, $445 times the adjusted pupil units for the school year;

(3) for Special School District No. 1, Minneapolis, the sum of $445 times the adjusted pupil units for the school year and an additional $35 times the adjusted pupil units for the school year that is provided entirely through a local levy;

(4) for a district not listed in clause (1), (2), or (3), that must implement a plan under Minnesota Rules, parts 3535.0100 to 3535.0180, where the district's enrollment of protected students, as defined under Minnesota Rules, part 3535.0110, exceeds 15 percent, the lesser of (i) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or (ii) $129 times the adjusted pupil units for the school year;

(5) for a district not listed in clause (1), (2), (3), or (4), that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0100 to 3535.0180, the lesser of

(i) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or

(ii) $92 times the adjusted pupil units for the school year.

Any money received by districts in clauses (1) to (3) which exceeds the amount received in fiscal year 2000 shall be subject to the budget requirements in subdivision 1a; and

(6) for a member district of a multidistrict integration collaborative that files a plan with the commissioner, but is not contiguous to a racially isolated district, integration revenue equals the amount defined in clause (5).

(b) A district that did not receive integration revenue under this subdivision for fiscal year 2009 is not eligible for integration revenue for fiscal year 2010 or later.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 11. **[124D.98] SUMMER OF SUCCESS.**

Subdivision 1. **Establishment.** The summer of success program is established to provide intensive intervention to students not yet proficient on the 8th grade standardized assessments in mathematics or reading. Intervention aiming to accelerate students to grade level shall be delivered to students the summer between 8th and 9th grade or in an extended day format during 9th grade.

Subd. 2. **Program administration.** Mathematics and reading instruction shall be delivered in a manner to support student success. Program components shall include, but are not limited to:

(1) duration of sufficient length and intensity, individualized based on data, to support student mastery of content that brings them to grade level and prepares them for 9th grade material;

(2) curriculum aligned to Minnesota kindergarten through grade 12 academic standards and delivered by highly qualified instructors in the content area in which instruction will be provided;

(3) connections to other support programs and opportunities offered during the traditional school year;

(4) creation of a high school transition plan, including courses supporting college and career readiness; and

(5) participation in an external program evaluation.

Subd. 3. **Program administration.** The commissioner shall administer the program through a competitive process. Applicants shall apply in the form and manner prescribed by the commissioner. The commissioner shall, to the extent possible, select sites in St. Paul, Minneapolis, the suburban metropolitan area, and greater Minnesota.

Sec. 12. **U TEACH.**

The Minnesota Department of Education shall establish a competitive grant process open to the University of Minnesota, Minnesota State Colleges and University institutions, and Minnesota private colleges to establish U TEACH programs. The programs must be designed to encourage the recruitment of current students enrolled in math and science departments into teacher preparation programs. The funds awarded must be used to defray the tuition of up to six teacher education courses per student.

Sec. 13. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

$ 36,575,000 2010

$ 44,905,000 2011

The 2010 appropriation includes $3,719,000 for 2009 and $32,856,000 for 2010.

The 2011 appropriation includes $8,213,000 for 2010 and $36,692,000 for 2011.

Subd. 3. **Charter school startup aid.** For charter school startup cost aid under Minnesota Statutes, section 124D.11:

$ 1,389,000 2010
$ 1,237,000 2011

The 2010 appropriation includes $207,000 for 2009 and $1,182,000 for 2010.

The 2011 appropriation includes $295,000 for 2010 and $942,000 for 2011.

Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86, subdivision 5:

$ 55,345,000 2010
$ 61,289,000 2011

The 2010 appropriation includes $6,110,000 for 2009 and $49,235,000 for 2010.

The 2011 appropriation includes $12,309,000 for 2010 and $48,980,000 for 2011.

Subd. 5. **Magnet school grants.** For magnet school and program grants under Minnesota Statutes section 124D.88:

$ 750,000 2010
$ 750,000 2011

Subd. 6. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

$ 15,693,000 2010
$ 18,831,000 2011

Subd. 7. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

$ 1,923,000 2010
$ 2,137,000 2011

The 2010 appropriation includes $213,000 for 2009 and $1,710,000 for 2010.

The 2011 appropriation includes $427,000 for 2010 and $1,710,000 for 2011.

Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

$ 190,000 2010
$ 190,000 2011

Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

$ 1,764,000 2010
$ 2,127,000 2011

The 2010 appropriation includes $184,000 for 2009 and $1,580,000 for 2010.

The 2011 appropriation includes $395,000 for 2010 and $1,732,000 for 2011.

Subd. 10. **Early childhood programs at tribal schools.** For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

$ 68,000 2010
$ 68,000 2011

Subd. 11. **Statewide testing and reporting system.** For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

$ 18,468,000 2010
$ 19,368,000 2011

$1,150,000 each year is for the value-added index assessment model.

Any balance in the first year does not cancel but is available in the second year.

The base for this program in fiscal year 2012 and later is $19,232,000.

Subd. 12. **Summer of success.** For summer of success under Minnesota Statutes, section 124D.98:

$ 3,204,000 2010
$ 6,258,000 2011

Of this amount, $200,000 in fiscal year 2010 and $250,000 in fiscal year 2011 is for evaluation, development, and administration of the program. Any balance available from the first year does not cancel but is available in the second year. This is a onetime appropriation.

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

$ 4,500,000 2010
$ 4,500,000 2011

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least $500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

Any balance in the first year does not cancel but is available in the second year.

Subd. 14. **Advanced placement, preadvanced placement, and international baccalaureate programs.** For advanced placement, preadvanced placement, and international baccalaureate programs under Minnesota Statutes, section 120B.132:

$ 2,000,000 2010

$ 2,000,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 15. **Collaborative urban educator.** For the collaborative urban educator grant program:

$ 528,000 2010

$ 528,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 16. **Youth works program.** For funding youth works programs under Minnesota Statutes, sections 124D.37 to 124D.45:

$ 900,000 2010

$ 900,000 2011

A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time youth works program to the extent such coverage is not otherwise available.

Subd. 17. **Student organizations.** For student organizations:

$ 725,000 2010
$ 725,000 2011

$40,000 each year is for student organizations serving health occupations.

$38,000 each year is for student organizations serving service occupations.

$88,000 each year is for student organizations serving trade and industry occupations.

$84,000 each year is for student organizations serving business occupations.

$131,000 each year is for student organizations serving agriculture occupations.

$125,000 each year is for student organizations serving family and consumer science occupations.

$95,000 each year is for student organizations serving marketing occupations.

Any balance in the first year does not cancel but is available in the second year.

Subd. 18. **Education Planning and Assessment System (EPAS) program.** For the Educational Planning and Assessment System (EPAS) program under Minnesota Statutes, section 120B.128:

$ 829,000 2010
$ 829,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 19. **Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

$ 1,000,000 2010
$ 1,000,000 2011

$1,000,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program established by Serve Minnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

Any balance in the first year does not cancel but is available in the second year.

Subd. 20. **Teacher centers.** For teacher centers under Minnesota Statutes, section 122A.72:

$ 1,500,000 2010

$ 1,500,000 2011

Of this amount, $200,000 in fiscal year 2010 and $200,000 in fiscal year 2011 is for administration and evaluation of the program. Any balance in the first year does not cancel but is available in the second year. This is a onetime appropriation.

Subd. 21. **U TEACH.** For the U TEACH program under section 12:

$ 500,000 2010

$ 500,000 2011

Any balance in the first year does not cancel but is available in the second year. This is a onetime appropriation.

Subd. 22. **Teacher training programs.** For the SMART teacher training program for professionals under Minnesota Statutes, section 122A.246:

$ 500,000 2010

$ 500,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 23. **Principals' Leadership Institute.** For the Principals' Leadership Institute under Minnesota Statutes, section 122A.75:

$ 400,000 2010

$ 400,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 24. **Minnesota virtual education.** For the Minnesota Virtual Education program under Minnesota Statutes, section 120B.17:

$ 1,000,000 2010

$ 1,000,000 2011

Any balance from the first year does not cancel but is available in the second year.

Sec. 14. **REPEALER.**

Minnesota Statutes 2008, sections 122A.24; 122A.72, subdivisions 3 and 4; and 124D.091, subdivision 3, are repealed.

ARTICLE 3
SPECIAL PROGRAMS

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

$ 660,502,000 2010
$ 776,407,000 2011

The 2010 appropriation includes $71,947,000 for 2009 and $588,555,000 for 2010.
The 2011 appropriation includes $147,138,000 for 2010 and $629,269,000 for 2011.

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

$ 2,519,000 2010
$ 2,779,000 2011

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

$ 224,000 2010
$ 270,000 2011

The 2010 appropriation includes $23,000 for 2009 and $201,000 for 2010.
The 2011 appropriation includes $50,000 for 2010 and $220,000 for 2011.

Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota Statutes, section 125A.79, subdivision 7:

$ 102,668,000 2010
$ 110,874,000 2011

The 2010 appropriation includes $37,046,000 for 2009 and $65,622,000 for 2010.
The 2011 appropriation includes $45,225,000 for 2010 and $65,649,000 for 2011.

Subd. 6. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

$ 76,000 2010

$ 78,000 2011

Subd. 7. **Special education out-of-state tuition.** For special education out-of-state tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

$ 250,000 2010

$ 250,000 2011

ARTICLE 4
FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2008, section 125B.26, is amended to read:

125B.26 TELECOMMUNICATIONS/INTERNET ACCESS EQUITY AID.

Subdivision 1. **Costs to be submitted.** (a) A district ~~or~~, charter school, or intermediate school district shall submit its actual telecommunications/Internet access costs for the previous fiscal year, adjusted for any e-rate revenue received, to the department by August 15 of each year as prescribed by the commissioner. Costs eligible for reimbursement under this program are limited to the following:

(1) ongoing or recurring telecommunications/Internet access costs associated with Internet access, data lines, and video links providing:

(i) the equivalent of one data line, video link, or integrated data/video link that relies on a transport medium that operates at a minimum speed of 1.544 megabytes per second (T1) for each elementary school, middle school, or high school under section 120A.05, subdivisions 9, 11, and 13, including the recurring telecommunications line lease costs and ongoing Internet access service fees; or

(ii) the equivalent of one data line or video circuit, or integrated data/video link that relies on a transport medium that operates at a minimum speed of 1.544 megabytes per second (T1) for each district, including recurring telecommunications line lease costs and ongoing Internet access service fees;

(2) recurring costs of contractual or vendor-provided maintenance on the school district's wide area network to the point of presence at the school building up to the router, codec, or other service delivery equipment located at the point of presence termination at the school or school district;

(3) recurring costs of cooperative, shared arrangements for regional delivery of telecommunications/Internet access between school districts, postsecondary institutions, and public libraries including network gateways, peering points, regional network infrastructure, Internet2 access, and network support, maintenance, and coordination; and

(4) service provider installation fees for installation of new telecommunications lines or increased bandwidth.

(b) Costs not eligible for reimbursement under this program include:

(1) recurring costs of school district staff providing network infrastructure support;

(2) recurring costs associated with voice and standard telephone service;

(3) costs associated with purchase of network hardware, telephones, computers, or other peripheral equipment needed to deliver telecommunications access to the school or school district;

(4) costs associated with laying fiber for telecommunications access;

(5) costs associated with wiring school or school district buildings;

(6) costs associated with purchase, installation, or purchase and installation of Internet filtering; and

(7) costs associated with digital content, including online learning or distance learning programming, and information databases.

Subd. 2. **E-rates.** To be eligible for aid under this section, a district ~~or~~, charter school, or intermediate school district is required to file an e-rate application either separately or through its telecommunications access cluster and have a current technology plan on file with the department. Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid under this section.

Subd. 3. **Reimbursement criteria.** The commissioner shall develop criteria for approving costs submitted by organized school districts ~~and~~, charter schools, and intermediate school districts under subdivision 1.

Subd. 4. **District aid.** For fiscal year 2006 and later, a district ~~or~~, charter ~~school's~~ school, or intermediate school district's Internet access equity aid equals the district ~~or~~, charter ~~school's~~ school, or intermediate school district's approved cost for the previous fiscal year according to subdivision 1 exceeding $15 times the district's adjusted marginal cost pupil units for the previous fiscal year or no reduction if the district is part of an organized telecommunications access cluster. Equity aid must be distributed to the telecommunications access cluster for districts, charter schools, or intermediate school districts that are members of the cluster or to individual districts ~~and~~, charter schools, or intermediate school districts not part of a telecommunications access cluster.

Subd. 5. **Telecommunications/Internet access services for nonpublic schools.** (a) Districts shall provide each year upon formal request by or on behalf of a nonpublic school, not including home schools, located in that district or area, ongoing or recurring telecommunications access services to the nonpublic school either through existing district providers or through separate providers.

(b) The amount of district aid for telecommunications access services for each nonpublic school under this subdivision equals the lesser of:

(1) 90 percent of the nonpublic school's approved cost for the previous fiscal year according to subdivision 1 exceeding $10 for fiscal year 2006 and later times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year; or

(2) the product of the district's aid per pupil unit according to subdivision 4 times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year.

(c) For purposes of this subdivision, nonpublic school pupils shall be weighted by grade level using the weighting factors defined in section 126C.05, subdivision 1.

(d) Each year, a district providing services under paragraph (a) may claim up to five percent of the aid determined in paragraph (b) for costs of administering this subdivision. No district may expend an amount for these telecommunications access services which exceeds the amount allocated under this subdivision. The nonpublic school is responsible for the Internet access costs not covered by this section.

(e) At the request of a nonpublic school, districts may allocate the amount determined in paragraph (b) directly to the nonpublic school to pay for or offset the nonpublic school's costs for telecommunications access services; however, the amount allocated directly to the nonpublic school may not exceed the actual amount of the school's ongoing or recurring telecommunications access costs.

Subd. 6. **Severability.** If any portion of this section is found by a court to be unconstitutional, the remaining portions of the section shall remain in effect.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

$	144,000	.....	2010
$	161,000	.....	2011

The 2010 appropriation includes $10,000 for 2009 and $134,000 for 2010.

The 2011 appropriation includes $33,000 for 2010 and $128,000 for 2011.

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

$ 7,260,000 2010
$ 7,815,000 2011

The 2010 appropriation includes $851,000 for 2009 and $6,409,000 for 2010.

The 2011 appropriation includes $1,602,000 for 2010 and $6,213,000 for 2011.

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

$ 17,358,000 2010
$ 19,287,000 2011

The 2010 appropriation includes $1,928,000 for 2009 and $15,430,000 for 2010.

The 2011 appropriation includes $3,857,000 for 2010 and $15,430,000 for 2011.

Subd. 5. **Equity in telecommunications access.** For equity in telecommunications access:

$ 3,750,000 2010
$ 3,750,000 2011

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2010 and 2011 shall be prorated.

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

$ 2,046,000 2010
$ 1,870,000 2011

The 2010 appropriation includes $258,000 for 2009 and $1,788,000 for 2010.

The 2011 appropriation includes $447,000 for 2010 and $1,423,000 for 2011.

ARTICLE 5
NUTRITION AND ACCOUNTING

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

$ 12,689,000 2010
$ 13,070,000 2011

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

$ 4,978,000 2010
$ 5,146,000 2011

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

$ 1,098,000 2010
$ 1,120,000 2011

Subd. 5. **Summer school service replacement aid.** For summer food service replacement aid under Minnesota Statutes, section 124D.119:

$ 150,000 2010
$ 150,000 2011

ARTICLE 6
LIBRARIES

Section 1. **DEPARTMENT OF EDUCATION; LIBRARY APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

$ 12,213,000 2010
$ 13,570,000 2011

The 2010 appropriation includes $1,357,000 for 2009 and $10,856,000 for 2010.

The 2011 appropriation includes $2,714,000 for 2010 and $10,856,000 for 2011.

Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

$ 1,170,000 2010
$ 1,300,000 2011

The 2010 appropriation includes $130,000 for 2009 and $1,040,000 for 2010.
The 2011 appropriation includes $260,000 for 2010 and $1,040,000 for 2011.

Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

$ 900,000 2010
$ 900,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

$ 2,070,000 2010
$ 2,300,000 2011

The 2010 appropriation includes $230,000 for 2009 and $1,840,000 for 2010.
The 2011 appropriation includes $460,000 for 2010 and $1,840,000 for 2011.

ARTICLE 7
EARLY CHILDHOOD EDUCATION

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

$ 9,085,000 2010
$ 10,095,000 2011

The 2010 appropriation includes $1,009,000 for 2009 and $8,076,000 for 2010.
The 2011 appropriation includes $2,019,000 for 2010 and $8,076,000 for 2011.

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

$ 20,818,000 2010
$ 22,617,000 2011

The 2010 appropriation includes $3,033,000 for 2009 and $17,785,000 for 2010.

The 2011 appropriation includes $4,446,000 for 2010 and $18,171,000 for 2011.

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

$ 3,466,000 2010
$ 3,961,000 2011

The 2010 appropriation includes $370,000 for 2009 and $3,096,000 for 2010.

The 2011 appropriation includes $773,000 for 2010 and $3,188,000 for 2011.

Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

$ 20,100,000 2010
$ 20,100,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

$ 50,000 2010
$ 50,000 2011

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

$ 287,000 2010
$ 287,000 2011

Any balance in the first year does not cancel but is available in the second year.

ARTICLE 8
PREVENTION

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

$ 528,000 2010
$ 456,000 2011

The 2010 appropriation includes $74,000 for 2009 and $454,000 for 2010.

The 2011 appropriation included $113,000 for 2010 and $343,000 for 2011.

Subd. 3. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

$ 639,000 2010
$ 710,000 2011

The 2010 appropriation includes $71,000 for 2009 and $568,000 for 2010.

The 2011 appropriation includes $142,000 for 2010 and $568,000 for 2011.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

$ 70,000 2010
$ 70,000 2011

Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes, section 124D.22:

$ 1,000 2010
$ 1,000 2011

The 2010 appropriation includes $0 for 2009 and $1,000 for 2010.

The 2011 appropriation includes $0 for 2010 and $1,000 for 2011.

ARTICLE 9
SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes:

$ 38,622,000 2010
$ 44,079,000 2011

The 2010 appropriation includes $4,182,000 for 2009 and $34,440,000 for 2010.

The 2011 appropriation includes $8,610,000 for 2010 and $35,469,000 for 2011.

Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under Minnesota Statutes, section 124D.55:

$ 125,000 2010

$ 125,000 2011

Any balance in the first year does not cancel but is available in the second year.

ARTICLE 10
STATE AGENCIES

Section 1. Minnesota Statutes 2008, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for ~~initial teacher licensure~~ entrance into a board-approved teacher preparation program. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching

skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

Sec. 2. Minnesota Statutes 2008, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) ~~A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:~~

~~(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and~~

~~(2) attempting to successfully complete the skills examination during the period of each one-year license.~~

~~(d)~~ The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

~~(c)~~ (d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

Sec. 3. Minnesota Statutes 2008, section 122A.416, is amended to read:

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ~~PERPICH CENTER FOR ARTS EDUCATION AND~~ MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.413, 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives ~~and the Perpich Center for Arts Education~~ are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative ~~or the Perpich Center for Arts Education~~ must meet all of the requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 4. **[124D.101] PERPICH CENTER FOR ARTS EDUCATION.**

Subdivision 1. **Charter school established.** The Perpich Center for Arts Education may organize as a charter school consistent with section 124D.10.

Subd. 2. **Sponsor.** (a) Consistent with section 124D.10, subdivision 3, in order to organize as a charter school, the Perpich Center for Arts Education must attempt to find at least one qualified charter school sponsor that will apply to the commissioner to authorize and serve as a charter school sponsor for the Perpich Center for Arts Education charter school.

(b) If a qualified sponsor cannot be found or is not approved, the Department of Education shall sponsor the Perpich Center for Arts Education charter school. If a qualified sponsor is later found and approved, the Department of Education may transfer sponsorship to the qualified sponsor under section 124D.10.

Subd. 3. **State aid.** The Perpich Center for Arts Education charter school is eligible for state charter school aid, including aid for start-up and operating costs, as provided in section 124D.11.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 5. **DISSOLUTION OF PERPICH CENTER FOR ARTS EDUCATION.**

(a) The Perpich Center for Arts Education is dissolved as a state agency.

(b) Official state records held at the Perpich Center for Arts Education shall be transferred to the Department of Education.

(c) Oversight of the facility occupied by the Perpich Center for Arts Education shall be transferred to the Department of Administration. If the Perpich Center for Arts Education organizes as a charter school under Minnesota Statutes, section 124D.10, the charter school shall have the right of first refusal to lease the building from the state.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 6. **RULEMAKING.**

Subdivision 1. **Requiring college major in core content area.** The Board of Teaching must adopt rules requiring candidates for licensure in the core content areas to evidence the equivalence of an academic major in the core content area for which they are applying for licensure. This requirement must become effective for graduates enrolling in a Minnesota teacher preparation program after July 1, 2014. Teacher licensure examinations must be evaluated and new cut scores adopted by the Board of Teaching prior to January 1, 2016.

Subd. 2. **Standards of effective practice for beginning teachers.** The Board of Teaching must revise the Standards of Effective Practice for Beginning Teachers, Minnesota Rules, part 8710.2000, to include broader preparation in technology, core content areas, and research-based pedagogical best practices. The updated standards must be adopted prior to July 1, 2011, and demonstrated by candidates for licensure beginning January 1, 2015. Teacher licensure pedagogy examinations must be revised and implemented by January 1, 2015.

Subd. 3. **Principal licensure.** The Minnesota Board of School Administrators, after consultation with interested parties, shall amend rules governing the licensure of principals to include more rigorous standards for principals to be instructional leaders in the principals' schools.

Sec. 7. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Department.** (a) For the Department of Education:

$	21,448,000	.....	2010
$	21,328,000	.....	2011

Any balance in the first year does not cancel but is available in the second year.

(b) $260,000 each year is for the Minnesota Children's Museum.

(c) $41,000 each year is for the Minnesota Academy of Science.

(d) $672,000 in fiscal year 2010 and $677,000 in fiscal year 2011 are for the Board of Teaching; of this amount $40,000 in fiscal year 2010 and $45,000 in fiscal year 2011 are for the implementation of licensing reforms under Minnesota Statutes, section 122A.09. Any balance in the first year does not cancel but is available in the second year. The base in fiscal year 2012 and later is $632,000.

(e) $296,000 in fiscal year 2010 and $171,000 in fiscal year 2011 are for the Board of School Administrators; of the fiscal year 2010 amount, $125,000 is for the purposes of amending rules governing the licensure of principals. Any balance in the first year does not cancel but is available in the second year.

(f) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(g) $40,000 each year is for an early hearing loss intervention coordinator under Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63, subdivision 5, then the appropriation under this paragraph is reallocated for purposes of employing a world languages coordinator.

(h) $50,000 each year is for the Duluth Children's Museum.

Subd. 3. **Board of Teaching; licensure by portfolio.** For the Board of Teaching for licensure by portfolio:

$ 17,000 2010

$ 17,000 2011

This appropriation is from the educator licensure portfolio account of the special revenue fund.

Sec. 8. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

$ 11,674,000 2010

$ 11,674,000 2011

Any balance in the first year does not cancel but is available in the second year.

Sec. 9. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

$ 7,087,000 2010

$ 2,825,000 2011

After the conclusion of the 2009-2010 school year, the fiscal year 2011 appropriation is available for immediate transfer to the Department of Administration or Minnesota Management and Budget in order to administer severance payments and oversee the closing of the Perpich Center for Arts Education as a state agency.

Sec. 10. **REPEALER.**

Minnesota Statutes 2008, sections 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 8; 129C.105; 129C.15; 129C.20; 129C.25; and 129C.26, are repealed.

ARTICLE 11
PELRA

Section 1. Minnesota Statutes 2008, section 179A.18, subdivision 2, is amended to read:

Subd. 2. **School district requirements.** ~~Except as otherwise provided by section 179A.17, subdivision 1,~~ Teachers employed by a local school district, other than principals and assistant principals, may strike ~~only under the following circumstances:~~ if the employer violates section 179A.13, subdivision 2, clause (9).

~~(1)(i) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 1, has occurred; and~~

~~(ii) the exclusive representative and the employer have participated in mediation over a period of at least 30 days. For the purposes of this subclause the mediation period commences on the day that a mediator designated by the commissioner first attends a conference with the parties to negotiate the issues not agreed upon; and~~

~~(iii) neither party has requested interest arbitration or a request for binding interest arbitration has been rejected; or~~

~~(2) the employer violates section 179A.13, subdivision 2, clause (9).~~

Sec. 2. **[179A.50] TEACHER AND SCHOOL BOARD NEGOTIATIONS.**

Subdivision 1. **Application.** This section applies to negotiations between a local school board and the exclusive representative of teachers and is effective for all collective bargaining contracts effective on or after July 1, 2009.

Subd. 2. **Mediation.** If, on July 1 of an odd-numbered year, the local school board and exclusive representative of teachers have not agreed to the terms for a new contract, the parties must enter mediation through the Bureau of Mediation Services. The commissioner of the Bureau of Mediation Services shall assign a mediator. The parties must engage in mediation for at least 45 days or until an agrement as to the terms for a new contract are reached. Mediation must end on or before September 1 of the odd-numbered year.

Subd. 3. **Binding arbitration.** If the school board and exclusive representative of teachers have not executed a new contract by October 1 of the odd-numbered year, the parties must certify the items in dispute to the commissioner of mediation services. If the parties disagree on the items subject to arbitration, the commissioner must determine the items to be decided. Arbitration is governed by section 179A.16, except that:

(1) the arbitration shall be final-offer, total-package, interest-binding arbitration;

(2) participation is mandatory;

(3) the results are binding on both parties;

(4) the arbitrator shall consider, in addition to any other relevant factors, the following factors:

(i) past collective bargaining contracts between the parties including the bargaining that led up to such contracts;

(ii) comparison of wages, hours, and conditions of employment of comparable public employees doing comparable work;

(iii) the interests and welfare of the public; and

(iv) the ability or inability of the board to finance the arbitration award; and

(5) the arbitrator must issue a final decision no later than December 1 of the odd-numbered year.

Sec. 3. **REPEALER.**

Minnesota Statutes 2008, section 179A.17, subdivision 1, is repealed.

APPENDIX
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